

## **C - Economic Development Cabinet**

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## **C - Economic Development Cabinet**

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## CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

## Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	50,950,600	50,950,600	50,950,600	26,057,600	23,884,700	25,877,000	28,496,400	26,309,800	28,302,100
Restricted Funds	3,971,400	3,971,400	3,971,400	3,255,600	3,255,600	3,255,600	3,292,500	3,292,500	3,292,500
Federal Funds	155,400	155,400	155,400	199,900	199,900	199,900	204,300	204,300	204,300
<b>Regular Total Funds</b>	<b>55,077,400</b>	<b>55,077,400</b>	<b>55,077,400</b>	<b>29,513,100</b>	<b>27,340,200</b>	<b>29,332,500</b>	<b>31,993,200</b>	<b>29,806,600</b>	<b>31,798,900</b>
Use of Continuing	10,376,200	10,376,200	10,376,200						
<b>TOTAL FUNDS</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>29,513,100</b>	<b>27,340,200</b>	<b>29,332,500</b>	<b>31,993,200</b>	<b>29,806,600</b>	<b>31,798,900</b>

## II. EXPENDITURE CATEGORY

Personnel Costs	12,133,000	12,133,000	12,133,000	11,583,900	11,403,300	11,403,300	11,841,000	11,646,700	11,646,700
Operating Expenses	1,587,500	1,587,500	1,587,500	1,562,800	1,562,800	1,562,800	1,575,600	1,575,600	1,575,600
Grants, Loans, Benefits	44,572,600	44,572,600	44,572,600	16,366,400	14,374,100	16,366,400	16,366,600	14,374,300	16,366,600
Debt Service	7,160,500	7,160,500	7,160,500				2,210,000	2,210,000	2,210,000
<b>TOTAL EXPENDITURES</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>29,513,100</b>	<b>27,340,200</b>	<b>29,332,500</b>	<b>31,993,200</b>	<b>29,806,600</b>	<b>31,798,900</b>

## III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	50,950,600	50,950,600	50,950,600	23,884,700	23,884,700	23,884,700	24,099,800	24,099,800	24,099,800
Restricted Funds	3,971,400	3,971,400	3,971,400	3,255,600	3,255,600	3,255,600	3,292,500	3,292,500	3,292,500
Federal Funds	155,400	155,400	155,400	199,900	199,900	199,900	204,300	204,300	204,300
<b>Regular Total Funds</b>	<b>55,077,400</b>	<b>55,077,400</b>	<b>55,077,400</b>	<b>27,340,200</b>	<b>27,340,200</b>	<b>27,340,200</b>	<b>27,596,600</b>	<b>27,596,600</b>	<b>27,596,600</b>
Use of Continuing	10,376,200	10,376,200	10,376,200						
<b>TOTAL BASE LEVEL</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>65,453,600</b>	<b>27,340,200</b>	<b>27,340,200</b>	<b>27,340,200</b>	<b>27,596,600</b>	<b>27,596,600</b>	<b>27,596,600</b>

## IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				2,172,900		1,992,300	4,396,600	2,210,000	4,202,300
<b>TOTAL ADDITIONAL</b>				<b>2,172,900</b>		<b>1,992,300</b>	<b>4,396,600</b>	<b>2,210,000</b>	<b>4,202,300</b>

# CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Capital Budget

### Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				50,000,000	50,000,000	50,000,000			
Investment Income				1,100,000					
<b>TOTAL CAPITAL</b>				<b>51,100,000</b>	<b>50,000,000</b>	<b>50,000,000</b>			

## CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

## Secretary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	20,010,100	20,010,100	20,010,100	16,024,900	16,024,900	16,024,900	16,140,400	16,140,400	16,140,400
Restricted Funds	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300
<b>Regular Total Funds</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,351,700</b>	<b>17,351,700</b>	<b>17,351,700</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,351,700</b>	<b>17,351,700</b>	<b>17,351,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	5,247,100	5,247,100	5,247,100	5,085,800	5,085,800	5,085,800	5,188,300	5,188,300	5,188,300
Operating Expenses	722,500	722,500	722,500	694,300	694,300	694,300	707,100	707,100	707,100
Grants, Loans, Benefits	14,225,800	14,225,800	14,225,800	11,456,100	11,456,100	11,456,100	11,456,300	11,456,300	11,456,300
Debt Service	1,026,000	1,026,000	1,026,000						
<b>TOTAL EXPENDITURES</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,351,700</b>	<b>17,351,700</b>	<b>17,351,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	20,010,100	20,010,100	20,010,100	16,024,900	16,024,900	16,024,900	16,140,400	16,140,400	16,140,400
Restricted Funds	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300	1,211,300
<b>Regular Total Funds</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,351,700</b>	<b>17,351,700</b>	<b>17,351,700</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>21,221,400</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,236,200</b>	<b>17,351,700</b>	<b>17,351,700</b>	<b>17,351,700</b>

## SECRETARY

### BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that direct:

**"Funding for Commercialization and Innovation:** Notwithstanding Subchapter 20 of KRS Chapter 154, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Department for Commercialization and Innovation and are appropriated in addition to amounts appropriated above."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget includes language provisions as follows:

**"Economic Development Bond Issues:** Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact."

**"Use of New Economy Funds:** Notwithstanding 2006 Ky. Acts ch. 252, Part II, C., the \$20,000,000 in the New Economy High-Tech Construction/Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of KRS 154.12-100 as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278."



CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY 4/11/08 2:18 pm  
BUDGET MODIFICATION REPORT

**SECRETARY**

**HOUSE REPORT**

The House concurs with the Branch with the following change:

The House adds a Part I, language provision as follows:

**"Louisville Waterfront Development Corporation:** Included in the above General Fund appropriation is \$512,800 in fiscal year 2008-2009 and \$527,400 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

**"Louisville Waterfront Development Corporation:** Included in the above General Fund appropriation is \$512,800 in fiscal year 2008-2009 and \$527,400 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

The Senate amends the State/Executive Branch Budget Bill, Part II, Capital Budget, by deleting the following language:

**"Use of New Economy Funds:** Notwithstanding 2006 Ky. Acts ch. 252, Part II, C., the \$20,000,000 in the New Economy High-Tech Construction/Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of KRS 154.12-100 as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278."

The Senate does not provide Investment Income support for the Parking Garage Maintenance Pool in Part II, Capital Budget.

**CONFERENCE REPORT**

The Conference concurs with the Branch with the following changes:

The Conference adds a Part I, Operating Budget, language provision as follows:

**"Louisville Waterfront Development Corporation:** Included in the above General Fund appropriation is \$420,800 in fiscal year

**CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY 4/11/08 2:18 pm**  
**BUDGET MODIFICATION REPORT**

**SECRETARY**

2008-2009 and \$420,800 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

The Conference amends Part II, Capital Budget, by deleting \$1,100,000 in Investment Income in fiscal year 2008-2009 for the Parking Garage Maintenance Pool.

# CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Capital Budget

### Secretary

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended

### I. CAPITAL PROJECT RECAP BY FUND SOURCE

Investment Income 1,100,000

**TOTAL CAPITAL 1,100,000**

### II. CAPITAL PROJECTS

#### 1 Parking Garage Maintenance Pool

PRJ635M5000

Investment Income 1,100,000

**Project Total 1,100,000**

**TOTAL CAPITAL 1,100,000**

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## CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

## New Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	1,252,400	1,252,400	1,252,400	1,502,400	1,321,800	1,321,800	1,524,600	1,330,300	1,330,300
Restricted Funds	747,000	747,000	747,000	300,000	300,000	300,000	300,000	300,000	300,000
<b>Regular Total Funds</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,802,400</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,824,600</b>	<b>1,630,300</b>	<b>1,630,300</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,802,400</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,824,600</b>	<b>1,630,300</b>	<b>1,630,300</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,590,800	1,590,800	1,590,800	1,371,500	1,190,900	1,190,900	1,393,700	1,199,400	1,199,400
Operating Expenses	408,600	408,600	408,600	430,900	430,900	430,900	430,900	430,900	430,900
<b>TOTAL EXPENDITURES</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,802,400</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,824,600</b>	<b>1,630,300</b>	<b>1,630,300</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	1,252,400	1,252,400	1,252,400	1,321,800	1,321,800	1,321,800	1,330,300	1,330,300	1,330,300
Restricted Funds	747,000	747,000	747,000	300,000	300,000	300,000	300,000	300,000	300,000
<b>Regular Total Funds</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,630,300</b>	<b>1,630,300</b>	<b>1,630,300</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,999,400</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,621,800</b>	<b>1,630,300</b>	<b>1,630,300</b>	<b>1,630,300</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				180,600			194,300		
<b>TOTAL ADDITIONAL</b>				<b>180,600</b>			<b>194,300</b>		
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Vacant Positions</b>									
ABR637F0001 Provides funds for the Commissioner position in the Department for New Business Development.									
General Fund				180,600			194,300		
<b>Project Total</b>				<b>180,600</b>			<b>194,300</b>		
<b>TOTAL ADDITIONAL</b>				<b>180,600</b>			<b>194,300</b>		

## **NEW BUSINESS DEVELOPMENT**

### **BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

### **HOUSE REPORT**

The House concurs with the Branch.

### **SENATE REPORT**

The Senate concurs with the House with the following change:

The Senate reduces in Part I, Operating Budget, General Fund support totaling \$180,600 in fiscal year 2008-2009 and \$194,300 in fiscal year 2009-2010.

### **CONFERENCE REPORT**

The Conference concurs with the Branch with the following change:

The Conference adds a Part I, Operating Budget, language provision as follows:

The Conference reduces in Part I, Operating Budget, General Fund support totaling \$180,600 in fiscal year 2008-2009 and \$194,300 in fiscal year 2009-2010.

## CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

## Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	26,396,300	26,396,300	26,396,300	5,186,400	3,194,100	5,186,400	7,410,500	5,418,200	7,410,500
Restricted Funds	1,803,100	1,803,100	1,803,100	1,744,300	1,744,300	1,744,300	1,781,200	1,781,200	1,781,200
<b>Regular Total Funds</b>	<b>28,199,400</b>	<b>28,199,400</b>	<b>28,199,400</b>	<b>6,930,700</b>	<b>4,938,400</b>	<b>6,930,700</b>	<b>9,191,700</b>	<b>7,199,400</b>	<b>9,191,700</b>
Use of Continuing	10,376,200	10,376,200	10,376,200						
<b>TOTAL FUNDS</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>6,930,700</b>	<b>4,938,400</b>	<b>6,930,700</b>	<b>9,191,700</b>	<b>7,199,400</b>	<b>9,191,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,976,900	1,976,900	1,976,900	1,908,900	1,908,900	1,908,900	1,959,900	1,959,900	1,959,900
Operating Expenses	117,400	117,400	117,400	111,500	111,500	111,500	111,500	111,500	111,500
Grants, Loans, Benefits	30,346,800	30,346,800	30,346,800	4,910,300	2,918,000	4,910,300	4,910,300	2,918,000	4,910,300
Debt Service	6,134,500	6,134,500	6,134,500				2,210,000	2,210,000	2,210,000
<b>TOTAL EXPENDITURES</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>6,930,700</b>	<b>4,938,400</b>	<b>6,930,700</b>	<b>9,191,700</b>	<b>7,199,400</b>	<b>9,191,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	26,396,300	26,396,300	26,396,300	3,194,100	3,194,100	3,194,100	3,208,200	3,208,200	3,208,200
Restricted Funds	1,803,100	1,803,100	1,803,100	1,744,300	1,744,300	1,744,300	1,781,200	1,781,200	1,781,200
<b>Regular Total Funds</b>	<b>28,199,400</b>	<b>28,199,400</b>	<b>28,199,400</b>	<b>4,938,400</b>	<b>4,938,400</b>	<b>4,938,400</b>	<b>4,989,400</b>	<b>4,989,400</b>	<b>4,989,400</b>
Use of Continuing	10,376,200	10,376,200	10,376,200						
<b>TOTAL BASE LEVEL</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>38,575,600</b>	<b>4,938,400</b>	<b>4,938,400</b>	<b>4,938,400</b>	<b>4,989,400</b>	<b>4,989,400</b>	<b>4,989,400</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,992,300		1,992,300	4,202,300	2,210,000	4,202,300
<b>TOTAL ADDITIONAL</b>				<b>1,992,300</b>		<b>1,992,300</b>	<b>4,202,300</b>	<b>2,210,000</b>	<b>4,202,300</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW Metropolitan College Program</b>									
ABR638G0002 Provides funds to support the Metropolitan Scholar Program.									
General Fund				1,992,300		1,992,300	1,992,300		1,992,300
<b>Project Total</b>				<b>1,992,300</b>		<b>1,992,300</b>	<b>1,992,300</b>		<b>1,992,300</b>
<b>2 N/A Debt Service</b>									
ABR638G0009 Provides support for \$50 million in Economic Development Bonds.									
General Fund							2,210,000	2,210,000	2,210,000
<b>Project Total</b>							<b>2,210,000</b>	<b>2,210,000</b>	<b>2,210,000</b>

# CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

### Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>TOTAL ADDITIONAL</b>				<b>1,992,300</b>		<b>1,992,300</b>	<b>4,202,300</b>	<b>2,210,000</b>	<b>4,202,300</b>

### TRANSFERS TO THE GENERAL FUND

#### Financial Incentives

Kentucky Economic Development Finance Authority

Authority

(KRS 154.20-010 to 154.20-150 and 154.20-520)

Other Special Revenue Fund	1,197,000	1,197,000	1,197,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
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Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees.

<b>TOTAL</b>	<b>1,197,000</b>	<b>1,197,000</b>	<b>1,197,000</b>	<b>24,200,000</b>	<b>24,200,000</b>	<b>24,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
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## FINANCIAL INCENTIVES

### BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$150,000 in fiscal year 2007-2008, \$75,000 in fiscal year 2008-2009 and \$50,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Debt Service:** Included in the above General Fund appropriation is \$2,210,000 in fiscal year 2009-2010 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**"Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation balance for training grants for fiscal year 2008-2009 and for fiscal year 2009-2010 for the Bluegrass State Skills Corporation shall not lapse and shall carry forward."

### HOUSE REPORT

The House concurs with the Branch with the following changes:

The House adds a Part I, language provision as follows:

**"Metropolitan College:** Included in the above General Fund appropriation is \$1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

## FINANCIAL INCENTIVES

The House adds Part II, language provisions as follows:

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,889,500 in fiscal year 2009-2010 for the Hardin County Board of Education for renovation and construction projects identified in the local district facilities plan approved by the Kentucky Department of Education. Prior to the disbursement of these funds, the Hardin County Board of Education must levy an additional five cent equivalent tax rate under the provisions of KRS 157.621 that is dedicated to facilities renovation and construction. The Commissioner of Education must certify that the projected increase in students is a result of the Base Realignment and Closure (BRAC) 2005 issued by the United States Department of Defense pursuant to the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 100-526, Part A of Title XXIX of 104 Stat.1808, 10 U.S.C. sec. 2687 note."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$7,000,000 in fiscal year 2009-2010 for the Hardin County Board of Education."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,700,000 in fiscal year 2009-2010 for the Pirtle Springs Water Treatment Plant Reconstruction project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$850,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Phase V, 31W Loop Connection project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 - Springfield Water Storage Tank project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,500,000 in fiscal year 2009-2010 for the City of Muldraugh Wastewater Collection Rehabilitation project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$10,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Sewer Collection System project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$17,600,000 in fiscal year 2009-2010 for the City of Elizabethtown - Valley Creek WWTP Expansion project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,500,000 in fiscal year 2009-2010 for

## FINANCIAL INCENTIVES

the City of Radcliff - Infiltration & Inflow project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,300,000 in fiscal year 2009-2010 for the City of Radcliff - Wastewater Pump Station Upgrades project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,550,000 in fiscal year 2009-2010 for the Meade County Board of Education."

## SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

**"Metropolitan College:** Included in the above General Fund appropriation is \$1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

The Senate amends the State/Executive Branch Budget Bill, Part II, Capital Budget, by deleting the following language:

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$7,000,000 in fiscal year 2009-2010 for the Hardin County Board of Education."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,700,000 in fiscal year 2009-2010 for the Pirtle Springs Water Treatment Plant Reconstruction project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$850,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Phase V, 31W Loop Connection project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 - Springfield Water Storage Tank project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,500,000 in fiscal year 2009-2010 for the City of Muldraugh Wastewater Collection Rehabilitation project."

## FINANCIAL INCENTIVES

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$10,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Sewer Collection System project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$17,600,000 in fiscal year 2009-2010 for the City of Elizabethtown - Valley Creek WWTP Expansion project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,500,000 in fiscal year 2009-2010 for the City of Radcliff - Infiltration & Inflow project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$2,300,000 in fiscal year 2009-2010 for the City of Radcliff - Wastewater Pump Station Upgrades project."

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,550,000 in fiscal year 2009-2010 for the Meade County Board of Education."

The Senate amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, by adding the following language:

**"Other Special Revenue Fund:** Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees."

## CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference adds a Part I, language provision as follows:

**"Metropolitan College:** Included in the above General Fund appropriation is \$1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

The Conference adds a Part II, language provision as follows:

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BUDGET MODIFICATION REPORT

**FINANCIAL INCENTIVES**

**"Economic Development Bonds:** Included in the above Economic Development Bonds is \$1,889,500 in fiscal year 2009-2010 for the Hardin County Board of Education for renovation and construction projects identified in the local district facilities plan approved by the Kentucky Department of Education. Prior to the disbursement of these funds, the Hardin County Board of Education must levy an additional five cent equivalent tax rate under the provisions of KRS 157.621 that is dedicated to facilities renovation and construction. The Commissioner of Education must certify that the projected increase in students is a result of the Base Realignment and Closure (BRAC) 2005 issued by the United States Department of Defense pursuant to the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 100-526, Part A of Title XXIX of 104 Stat.1808, 10 U.S.C. sec. 2687 note."

The Conference amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, by adding the following language:

**"Other Special Revenue Fund:** Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees."

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# CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Capital Budget

### Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				50,000,000	50,000,000	50,000,000			
<b>TOTAL CAPITAL</b>				<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Economic Development Bonds</b>								
PRJ638G5000									
Bond Funds				50,000,000	50,000,000	50,000,000			
<b>Project Total</b>				<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>			
<b>2</b>	<b>Economic Development Bond Pool - 2004-2006 Reauthorization (\$12,324,500 Bond Funds)</b>								
PRJ638G1375									
Bond Funds									
<b>Project Total</b>									
<b>TOTAL CAPITAL</b>				<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>			

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# CONFERENCE BUDGET REPORT AS AMENDED - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## C - Economic Development Cabinet

## Operating Budget

### Existing Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended	House Budget	Senate Budget	Conference As Amended
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	3,291,800	3,291,800	3,291,800	3,343,900	3,343,900	3,343,900	3,420,900	3,420,900	3,420,900
Restricted Funds	210,000	210,000	210,000						
Federal Funds	155,400	155,400	155,400	199,900	199,900	199,900	204,300	204,300	204,300
<b>Regular Total Funds</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,625,200</b>	<b>3,625,200</b>	<b>3,625,200</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,625,200</b>	<b>3,625,200</b>	<b>3,625,200</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	3,318,200	3,318,200	3,318,200	3,217,700	3,217,700	3,217,700	3,299,100	3,299,100	3,299,100
Operating Expenses	339,000	339,000	339,000	326,100	326,100	326,100	326,100	326,100	326,100
<b>TOTAL EXPENDITURES</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,625,200</b>	<b>3,625,200</b>	<b>3,625,200</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	3,291,800	3,291,800	3,291,800	3,343,900	3,343,900	3,343,900	3,420,900	3,420,900	3,420,900
Restricted Funds	210,000	210,000	210,000						
Federal Funds	155,400	155,400	155,400	199,900	199,900	199,900	204,300	204,300	204,300
<b>Regular Total Funds</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,625,200</b>	<b>3,625,200</b>	<b>3,625,200</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,657,200</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,543,800</b>	<b>3,625,200</b>	<b>3,625,200</b>	<b>3,625,200</b>
<b>TRANSFERS TO THE GENERAL FUND</b>									
<b>Existing Business Development</b>									
Agency Revenue Fund	10,800	10,800	10,800						
<b>TOTAL</b>	<b>10,800</b>	<b>10,800</b>	<b>10,800</b>						

## **EXISTING BUSINESS DEVELOPMENT**

### **BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Existing Business Development, Restricted Funds of \$10,800 in fiscal year 2007-2008.

### **HOUSE REPORT**

The House concurs with the Branch.

### **SENATE REPORT**

The Senate concurs with the House.

### **CONFERENCE REPORT**

The Conference concurs with the Branch.